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C O N F I D E N T I A L SECTION 01 OF 02 MANILA 001468

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SUBJECT: LAST REMAINING ICRC HOSTAGE EUGENIO VAGNI RELEASED

REF: A. MANILA 985 (ICRC HOSTAGE: 100 DAYS AND COUNTING)

_B. MANILA 902 (SEARCH FOR LAST RED CROSS HOSTAGE
CONTINUES)

- 1C. MANILA 829 (SWISS HOSTAGE GAINS FREEDOM)
- 1D. MANILA 812 (HOSTAGES: PURSUING NEGOTIATIONS BUT PREPARING FOR WORST)

11. (C) SUMMARY: The last of three International Committee of the Red Cross (ICRC) workers kidnapped January 15 on Jolo island in the southern Philippines by Abu Sayyaf Group (ASG) terrorists was released early Sunday morning, July 12. The 62-year-old Italian engineer, Eugenio Vagni, was released at approximately 12:30 a.m. to Sulu Vice Governor Lady Anne Sahidulla. He was then transported to the Armed Forces of the Philippines (AFP) trauma center at Camp Bautista for a preliminary medical exam, after which he was flown to Manila to be reunited with his wife and daughter. Mr. Vagni is reportedly in good health, and although Philippine government and ICRC officials officially claim that no ransom was paid for his release, unofficial sources report that the ASG may have released Vagni in exchange for the release of two of ASG commander Albader Parad's wives, plus commitments by the Foundation for Peace and Prosperity (3P Foundation) and the Italian government to provide developmental assistance. Vagni's safe release caps Embassy Manila's months-long engagement with our Philippine interlocutors to emphasize the U.S. concern for the hostages' safety and the USG's key role in supporting the ICRC. END SUMMARY.

BACKGROUND

12. (SBU) Vagni was kidnapped January 15 along with two other ICRC workers, Swiss national Andreas Notter and Filipina Mary Jean Lacaba, on Jolo island in the southern Philippines, by Abu Sayyaf Group (ASG) terrorists led by Albader Parad. Lacaba was released April 2, and Notter wandered away from his captors April 18. Official Philippine and ICRC sources denied that ransom was paid in either of those two cases, but rumors circulated in the local press that the Philippine government secretly paid a one million peso (approximately \$21,000 USD) ransom for Lacaba. The circumstances surrounding Notter's release are unclear, with conflicting reports on whether he escaped, was abandoned or released by his kidnappers, or rescued by local security forces. Following Notter's recovery, efforts by five Ulama (Muslim clerics) to obtain Vagni's safe release failed. The Philippine government then announced a monetary reward for information on Vagni's location, and authorized the military to proceed with rescue operations. Subsequent military operations resulted in clashes that caused casualties on both sides and led to a series of reprisal attacks and bombings by ASG against government targets on Jolo island. Perhaps frustrated by the lack of success in negotiations and military operations, the government apprehended two of Albader Parad's wives and four other ASG-connected family members at a government checkpoint on July 7, and charged

them with weapons infractions, involvement in kidnappings, and other terrorist-related activities.

EXHAUSTED BUT FREE

- 13. (SBU) According to media reports, Sulu Vice Governor Lady Anne Sahidulla, who had previously negotiated for Vagni's release, was alerted by ASG to proceed to a small village near Indanan town after midnight July 11. Arriving there at approximately 12:30 a.m. July 12, she and her party found Vagni waiting for them. Although she denied that it was a prisoner swap, the Vice Governor agreed to the release of Parad's two wives, and handed one of them over Sunday. The media reports also quote her as saying that she gave the kidnappers 50,000 pesos (approximately \$1,050 USD) for "cigarette money." After a preliminary medical examination and a brief photo session with the media in Jolo, Vagni was flown first to Zamboanga on a commercial flight, chartered by the Italian ambassador, and then to Manila, where he was reunited with his wife and daughter. Vagni, who suffers from hypertension and a hernia, lost nearly 20 kilos (44 pounds) during his captivity, and was barely able to walk. He claimed that, his weight loss notwithstanding, his abductors did not abuse him, and provided him medical treatment when he fell ill with cholera.
- 14. (C) Although official Philippine sources maintain that no ransom was paid, reliable sources tell Post that Vagni was exchanged for Parad's two wives and a promise by 3P Foundation to give the ASG eight tractors, refurbish their homes, and build medical facilities. The Italian government

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may be involved in paying for those goods, services, and projects. For his part, Defense Secretary Gilberto Teodoro told poloff July 12 that while he is cognizant of accounts that Vagni was ransomed, he cannot confirm such rumors, adding that he is personally opposed to paying ransom because of the bad precedent it sets. Secretary Teodoro went on to say that now there is no reason not to proceed with a full-scale military offensive against the ASG.

WHAT NOW?

15. (C) COMMENT: As reported in reftels, over the past six months the Ambassador has repeatedly emphasized to her Philippine interlocutors U.S. concern for the hostages safety. The Philippine government and AFP have shown great restraint in dealing with Vagni's ASG kidnappers, but his release removes a major stumbling block to military action. There will likely be increased pressure on senior Philippine leadership to restore public confidence by forcing a military showdown with ASG. A July 12 statement attributed to the military by the local media says that "troops shall pursue the perpetrators relentlessly and hold them accountable for this incident." While pressure to act forcefully and decisively against the ASG may result in stepped-up military actions on Jolo Island, Post will continue to engage senior Philippine officials to urge judicious restraint in the methods employed so that human rights are respected and the civilian population is not recklessly endangered. END COMMENT. KENNEY